

**METS DEVELOPMENT COMPANY, LLC  
BLUMENFELD DEVELOPMENT GROUP, LTD.**

March 10, 2006

*Via Email & Hand Delivery*

**Ms. Helena E. Williams**  
Nassau County Deputy Executive  
One West Street  
Mineola, NY 11501

**Re: Nassau Coliseum**

Dear Ms. Williams:

Pursuant to our discussions, the following is a summary of the issues discussed at our meeting on March 7, 2006.

NASSAU COUNTY ISSUE	CRC RESPONSE
<b>1. Preservation of the Islanders residency at the Nassau Coliseum.</b>	<p>Jeff Wilpon has had discussions with Gary Bettman in an attempt to set up a meaningful meeting with the Islanders. Mr. Bettman has expressed his willingness to Jeff Wilpon to host a meeting between Mr. Wang and CRC to discuss how best to assure stability for the Islanders franchise at the Coliseum and at the new Coliseum going forward. Given Mr. Bettman's travel schedule, we may need a few weeks to arrange this meeting with CRC and the Islanders and respectfully request that the County allow us additional time to do so. CRC is committed to working with the Islanders on a long-term agreement to keep the team on the site and will agree to negotiate with them in good faith to accomplish this goal. CRC will agree to offer them a deal upon fair and reasonable terms as compared to similarly situated NHL teams. It should be noted that this differs from our original proposal that allowed the Islanders to remain at a renovated Coliseum rent free.</p> <p>CRC believes that there are several important factors that substantially mitigate the risk that the Islanders leave Nassau County: their current lease (through 2015), long-term television contract (which CRC believes expires in 2025) and favorable demographics of the Nassau County fan base. However, as set forth above, CRC is prepared to go to great lengths to keep them in Nassau County.</p>

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<p><b>2. Detail the participation structure of building a new Coliseum.</b></p>	<p>A new Coliseum will be constructed by CRC whether or not the Islanders extend their lease beyond 2015. If the Islanders do not extend their lease, CRC will make every effort to assure that the Coliseum will be home to a major professional sports franchise.</p> <p>In order to construct a new Coliseum rather than simply renovating the existing structure, CRC would ask Nassau County to issue \$400 million of Nassau County IDA bonds; \$300 million for the costs of a new Coliseum and \$100 million for the parking structure. CRC would be responsible for all debt service on the \$400 million bonds, thereby increasing its commitment to the project from \$325 million to \$425 million.</p> <p>CRC strongly believes that a new Coliseum as opposed to a renovated one is best for Nassau County. For the incremental \$100 million cost, which CRC has agreed to assume, Nassau County will have a state-of-the-art arena that will enable Nassau County to attract world-class sporting events, concerts and conventions for years to come. A renovated Coliseum could never include all of the amenities and conveniences that a new arena could offer and the useful life of a renovated Coliseum would be less than half of that of a new arena. A new Coliseum will also generate additional economic benefits for the County during its construction and throughout its longer useful life. Further, in light of the planned new arena in Brooklyn as well as a new Madison Square Garden, Nassau County needs a new arena in order to stay competitive with its New York City neighbors. A new Coliseum will become Nassau County's iconic landmark and something that all of its citizens will be proud of.</p> <p>Details of a Nassau County IDA Bond issuance and CRC's respective debt service obligations are provided in item C below.</p>
<p><b>3. Clarify the layout and timing of the parking decks.</b></p>	<p>The parking decks will be the first structure to be built on the Coliseum site so as to best clear the development site for the construction of the new Coliseum and ballpark. We would commence this construction promptly after receiving SEQRA and local approvals.</p>
<p><b>4. Review payment (escalation) to Nassau County.</b></p>	<p>CRC proposes that Nassau County forego the proposed \$1.5 million rental payment until such time as the \$400 million bond financing is paid off in consideration of CRC's agreement to build a new Coliseum.</p> <p>Upon the repayment of the bonds, CRC will pay a market ground lease rent and a contribution of proceeds as outlined in item F below.</p> <p>It should be noted that pursuant to the report issued by Hamilton Rabinovitz &amp; CSL on 2/15/2006, the NPV (going thru 2025) of tax revenue going to Nassau County generated by CRC's proposed development is estimated to be \$155.8 million and the total Nassau County revenue \$528 million.</p>

<b>5. Increase size of next generation housing.</b>	<p>Subject to the size of the units and approved zoning, CRC will increase the number of next generation housing units in the residential towers by approximately 50 units. This will increase the total number of next generation housing units to approximately 350 units from the 300 units in the original proposal.</p>
<b>6. SEQRA Lead agency</b>	<p>Based on previous experience, CRC believes that New York State is best suited to be the lead agency for the SEQRA process. However, if this is not feasible, CRC suggests that Nassau County be the lead agency during the SEQRA process.</p> <p>In either event, the Town of Hempstead would be in control of the PUD and zoning processes.</p>
<b>7. Address the immediate need for public transportation and its preservation.</b>	<p>In an effort to mitigate traffic, CRC would create and maintain right-of-ways and access easements to provide for near-term and long-term public transportation.</p> <p>CRC envisions an “at grade” public transportation system in the near term. A likely possibility would be public bus service.</p> <p>In the long term and as previously detailed CRC would contribute \$25 million towards a monorail system that services the Nassau County Hub.</p> <p>Intermediate public transportation needs are addressed in item E below.</p>
<b>8. Chronology of financial commitment.</b>	<p>CRC has already spent approximately \$200K on the RFP process. Upon execution of a binding Memorandum of Understanding with the Nassau County Legislature, CRC anticipates that an additional \$1.5 - \$3.0 million will be spent during the SEQRA process.</p> <p>Soft costs for the SEQRA process would include: retaining a world-renowned architect to create a master development plan for the site as well as other consultants to prepare traffic studies, environmental reports, engineering and architectural plans, and make presentations to the various interested agencies.</p> <p>Zoning costs for a PUD with the Town of Hempstead are expected to be approximately \$1.0 million.</p> <p>Upon site plan approval, CRC would commence construction on the \$100 million parking decks. Upon substantial completion of the parking decks, the construction of the new Coliseum and development of the overall site would begin.</p>
<b>9. Clarification on the composition of CRC.</b>	<p>Typical of all real estate transactions, CRC will be a single purpose entity formed and managed by the principals of Sterling Equities, the New York Mets, and BDG. The entity will be funded with the capital from its principals.</p>

<p><b>10. Assurance of Mets affiliated minor league team.</b></p>	<p>The New York Mets would work to ensure that a Mets-affiliated full-season minor league baseball team will play at or adjacent to the site, with the season consisting of approximately 70 home games.</p> <p>It should be noted there are significant differences between a minor league team affiliated with a local Major League club and an independent team. Affiliated minor leagues are here for the long-term with the support of Major League baseball. Independent minor leagues do not have the track record of true Minor League Baseball. There is no assurance of the team or league's existence over the long-term. In addition, our minor league team will be comprised of young, up-and-coming players scouted and signed by the Mets. Independent minor league teams typically consist of older players on the downside of their careers. As a result, the difference in the quality of play is dramatic. Our minor league team will have the Mets' commitment to provide quality, affordable family entertainment over the 30 or more anticipated years of the life of the new stadium.</p> <p>Moreover, to the extent that it involves County controlled property, the recently announced proposal for a new minor league stadium at the Mitchell Field Athletic Complex should be the subject of a separate RFP process. The Wang/Rechler proposal attempts to avoid a competitive bidding process for that project. If put to bid, we are confident that a CRC proposal with the pledge of a Mets-affiliated minor league team would be very attractive to the County.</p>
<p><b>11. What are Hofstra University's benefits?</b></p>	<p>CRC has already had discussions with Hofstra University officials to integrate the campus with the Nassau Coliseum site. The benefits of CRC's proposal to integrate the Nassau Coliseum development site with Hofstra University would be numerous as evidenced in the attached letter dated December 20, 2005 from Stuart Rabinowitz to Thomas Suozzi.</p>

The following questions were raised by the County at the end of our meeting on March 7, 2006 and what follows constitutes our response.

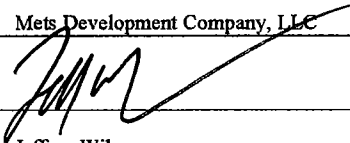
<p><b>A. Minor League Stadium at Hofstra University</b></p>	<p>In order to expedite development of the project and illustrate CRC's commitment, CRC is willing to work with Hofstra University for the immediate construction of a minor league baseball stadium on Hofstra's campus. The stadium would be made available for Hofstra University to use, and would free up space on the Coliseum site for additional development.</p> <p>It should be noted, that opposed to the new Wang/Rechler proposal to construct a minor league stadium off-site on County-controlled property, CRC's proposal to construct a stadium at Hofstra involves privately-owned property and would thus not require a further RFP process.</p>
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<p><b>B. What penalty is CRC willing to assume if there is no NHL or NBA franchise at Nassau Coliseum beyond 2015?</b></p>	<p>The original concept was that the County would contribute the incremental cost of \$100 million for a new Coliseum and if there was no NHL or NBA franchise playing at the Coliseum beyond 2015, then as a penalty CRC would assume \$50 million of the incremental cost. In this new proposal, CRC has taken the responsibility for the entire incremental \$100 million cost (increasing its total commitment to the project to \$425 million) thereby eliminating the risk that the County will have used taxpayer dollars to finance a new Coliseum without an NHL or NBA team. Since all of the risk has been shifted to CRC, a penalty payment is not warranted.</p>
<p><b>C. What would be the security for the Nassau County IDA Bonds?</b></p>	<p>CRC shall provide a completion guarantee for the construction of a new Coliseum that is satisfactory to Nassau County. The bonds would be secured by an assignment of the ground lease and all revenue derived from Coliseum operations and backed by a letter of credit supplied by CRC. CRC believes that revenue from Coliseum operations will be sufficient to service the annual debt payments of the \$400 million IDA bonds.</p>
<p><b>D. The County has asked that CRC pay \$10 million per year so that CRC is disincentivized to walk away if a satisfactory deal with the Islanders is not reached.</b></p>	<p>The County's proposal is unacceptable and renders this negotiation unfair by imposing a financial burden on one bidder and not the other. CRC has already spent approximately \$200,000 on the RFP process and is prepared to spend an additional \$3-4 million during the approval process without any guarantee of success. As set forth above, CRC is willing to assume an additional \$100 million of expense in order to construct a new Coliseum. In addition, as set forth in A above, CRC is willing to construct the minor league baseball stadium on the grounds of Hofstra University as soon as possible. CRC believes its current proposal shows its commitment to the new Coliseum development project and its belief in the success of this project regardless of whether or not a deal with the Islanders is ultimately made.</p> <p>However, in order to further allay any concerns that the County may have, CRC would also be willing to post a letter of credit with the County in an agreed upon amount equal to the reasonable costs and expenses that both CRC and Nassau County would be expected to incur in the approval process for this project. In the event that CRC failed to pursue the necessary approvals to build a new Coliseum and otherwise develop the site as proposed and walked away from the project, then the County would be entitled to draw on the letter of credit. However, the County would not be entitled to draw on the letter of credit if SEQRA or any other necessary approval were to be denied.</p>

<b>E. How much of an allocation will be made towards the on-site transportation station?</b>	<p>Upon construction of the Coliseum parking decks and immediate transportation needs, CRC shall build or contribute up to \$1.0 million towards an on-site transportation station. It is anticipated that this station will be first used as a bus station and later converted to a monorail station.</p> <p>The cost of this on-site transportation station is in addition to our \$25.0 million contribution towards a monorail system.</p>
<b>F. Review payment (escalation) to Nassau County.</b>	<p>Upon repayment of IDA bonds, CRC shall agree to pay a reasonable market rent to Nassau County (taking into consideration necessary capital improvements and upgrades at such time) and share in concessions derived from the new Coliseum.</p>

The aforementioned terms and conditions are for discussion purposes only, but to the extent applicable shall be deemed to amend our Best and Final Offer Term Sheet dated December 23, 2005. Except for the confidentiality provisions stated below which shall survive, these terms shall not be binding on either party until a mutually agreed upon agreement has been fully executed by both parties. Both parties shall hold in the strictest confidence all data and information with respect to the proposed transaction and neither party shall disclose or confirm any terms contained in this response: provided, however, that each party may disclose such data or information (i) to its employees, consultants, lenders, advisors and attorneys provided that in each case all such persons agree to treat such data and information confidentially and (ii) as required by law or court order provided reasonable advance notice of such required disclosure is given to the other party.

COMPANY: Mets Development Company, LLC

BY: 

NAME: Jeffrey Wilpon

TITLE: Sr. Executive Vice President & Chief Operating Officer

DATE: March 10, 2006

COMPANY: Blumenfeld Development Group, Ltd.

BY:

NAME: David Blumenfeld

TITLE: Vice President

DATE: March 10, 2006

Cc: William Cunningham, III  
Patricia Bourne  
Daniel Grippo, Esq.  
Chris Smith, Esq.  
Robert Fagiola, Esq.  
Ruth Lipshitz, Esq.  
Gemma Giantomasi, Esq.

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